

MINUTES OF THE REGULAR MEETING

OF THE

COMMISSIONERS OF THE CHICAGO HOUSING AUTHORITY

April 20, 2004

The Commissioners of the Chicago Housing Authority held its Regular Meeting on Tuesday, April 20, 2004, at 8:30 a.m. at the Senior Housing North – Loyola Apartments, 1930 West Loyola, Chicago, Illinois.

The meeting was called to order by the Chairperson, and upon roll call, those present and absent were as follows:

Present: Sharon Gist Gilliam
Mamie Bone
Earnest Gates
Dr. Mildred Harris
Lori Healey
Michael Ivers
Carlos Ponce
Sandra Young

Absent: Hallie Amey
Martin Nesbitt

Also present were Terry Peterson, Chief Executive Officer; Gail Niemann, General Counsel; Chicago Housing Authority Staff Members and the General Public.

There being a quorum present, the meeting duly convened and business was transacted as follows:

Terry Peterson, Chief Executive Officer, then presented his monthly report. Mr. Peterson's report focused on the continuing efforts to improve the quality of life for public housing residents through various activities such as roof replacements, new construction, and partnerships with the Chicago Police Department (for services at Cabrini), and with Granite Partners (a developer), as well as a contract award to a vendor that will ensure a dozen jobs for CHA residents. Mr. Peterson also stated that other work experience opportunities are also being made available to CHA residents as a result of the CHA exceeding its MBE/WBE goals.

The Chairperson then convened the Public Hearing portion of the meeting by inviting residents and the public at large to address the Board.

Immediately following the Public Hearing portion of the meeting, a Motion was introduced and seconded to adjourn to Executive Session. The Chairperson announced that pursuant to the Open Meetings Act, 5 ILCS 120/2, the Board would adjourn for approximately one (1) hour to discuss pending, probable or imminent litigation, collective negotiating matters, security and personnel matters.

The Commissioners subsequently reconvened in Open Session and Chairperson Gilliam thereupon introduced for approval the Minutes of the Regular Meeting held on March 16, 2004. Upon Motion made and properly seconded, the Minutes for March 16, 2004 was unanimously approved and accepted as submitted.

The Chairperson thereupon introduced the Resolution discussed in Executive Session. Commissioner Ivers then presented a Motion to approve Executive Session Item 1.

(Executive Session Item 1)

RESOLUTION NO. 2004-CHA-39

WHEREAS, the Board of Commissioners of the Chicago Housing Authority has reviewed the Board Letter dated April 2, 2004, requesting that the Board of Commissioners approves the Personnel Actions Report for March 2004.

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners hereby approves the Personnel Actions Report for March 2004.

The motion to adopt Executive Session Item 1 was seconded by Commissioner Healey and the voting was as follows:

Ayes: Sharon Gist Gilliam
Mamie Bone
Earnest Gates
Dr. Mildred Harris
Lori Healey
Michael Ivers
Carlos Ponce
Sandra Young

Nays: None

The Chairperson thereupon declared said Motion carried and said Resolution adopted.

The Chairperson thereupon introduced the Resolution discussed in Executive Session. Commissioner Harris then presented a Motion to approve Executive Session Item 2.

(Executive Session Item 2)

RESOLUTION NO. 2004-CHA-40

WHEREAS, the Board of Commissioners has reviewed Board Letter dated March 30, 2004 requesting authorization to enter into a settlement agreement in the matter of J. D. Virgen vs. Chicago Housing Authority, City of Chicago and The Woodlawn Community Development Corporation, 01 L 000080 and pay a settlement amount of \$127,500.00.

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners authorizes the General Counsel, or her designee, to enter into the settlement agreement in the matter of J. D. Virgen vs. Chicago Housing Authority, City of Chicago and The Woodlawn Community Development Corporation, and pay a settlement amount of \$127,500.00.

The Motion to adopt the Resolution for Executive Session Item 2 was seconded by Commissioner Ponce and the voting was as follows:

Ayes: Sharon Gist Gilliam
Mamie Bone
Earnest Gates
Dr. Mildred Harris
Lori Healey
Michael Ivers
Carlos Ponce
Sandra Young

Nays: None

The Chairperson thereupon declared said Motion carried and said Resolution adopted.

Commissioner Young, Chairperson of the Tenant Services Committee, then presented the monthly report. Per Commissioner Young, the Tenant Services Committee held its regularly scheduled meeting on Wednesday, April 14, 2004, at 1:00 p.m. at the 626 Corporate Office. According to Commissioner Young, Rayne Martine, Director of Relocation and representatives from Draper & Kramer and representatives from Employment and Employer Services presented the Committee with an update on Social Services at Lake Park Crescent.

Commissioner Young then introduced a Motion for the adoption of the Resolution for Item A1 discussed, voted and recommended for Board approval by the Tenant Services Committee.

(Item A1)

On January 20, 2004, the CHA Board of Commissioners approved a Mixed-Finance Proposal for the redevelopment of ABLA—Roosevelt Square Phase 1. The closing of this real estate transaction is expected to occur in the second quarter of 2004 and the construction of a minimum of 125 CHA units and a minimum of 56 affordable rental units will commence. Upon completion of this redevelopment in early 2005, the new owner will be implementing new lease requirements and policies. These criteria have been developed over the course of several months of discussions with the current residents and elected representatives of ABLA, LR Development and Heartland Housing, and CHA staff. Notice for the public comment period was given in accordance with applicable requirements and consideration was given to comments in finalizing the documents with the Developer and the owner entity. Accordingly, the resolution for Item A1 approves a Form of Lease for the public housing units at Roosevelt Square which is required at this time to facilitate this development transaction.

RESOLUTION 2004-CHA-41

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated February 13, 2004, entitled “Authorization for approval of a form of lease for the public housing units at the Roosevelt Square (ABLA) mixed-finance redevelopment and to amend the CHA Admissions and Continued Occupancy Policy to incorporate such document as an addendum thereto”

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners hereby approves the attached form of lease for the public housing units at the Roosevelt Square mixed-finance redevelopment and hereby approves an amendment to the Chicago Housing Authority’s Admissions and Continued Occupancy Policy to incorporate the approved forms as an addenda. The Chairman of the Board or the Chief Executive Officer is hereby authorized to approve final changes in these forms, including changes based on HUD requirements. Such approval shall constitute conclusive evidence of the Board’s approval of any and all such changes.

The Motion to adopt the resolution for Item A1 was seconded by Commissioner Harris and the voting was as follows:

Ayes:	Sharon Gist Gilliam
	Mamie Bone
	Earnest Gates
	Dr. Mildred Harris
	Lori Healey
	Michael Ivers
	Carlos Ponce
	Sandra Young

Nays:	None
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There being no questions or discussion, the Chairperson thereupon declared said Motion carried and said resolutions adopted.

Commissioner Gates, Chairperson of the Operations & Facilities Committee, then presented the monthly report. Per Commissioner Gates, the Operations & Facilities Committee met on Wednesday, April 14, 2004 at 1:30 p.m.

Commissioner Gates then introduced an Omnibus Motion for adoption of resolutions for Items B1 through B5, discussed, voted and recommended for Board approval by the Operations and Facilities Committee.

(Item B1)

As part of the Capital Improvement Program (CIP), the Chicago Housing Authority (CHA) solicited bids to replace the roof at 1750 West Peterson at the Harry Schneider Apartments. The Invitation For Bid was advertised in area newspapers and the CHA also mailed flyers to forty one firms, including eleven MBE/WBE/DBE firms. Of the four bids received, it was determined by the Procurement and Contracts department that the lowest responsive and responsible bidder is National Roofing. Accordingly, the resolution for Item B1 approves award of contract to National Roofing.

RESOLUTION NO. 2004-CHA-42

WHEREAS, the Board of Commissioners has reviewed Board Letter dated March 18, 2004 entitled "Authorization to execute a contract with National Roofing for roofing replacement at Harry Schneider Apartments (IL2-081)";

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT the Board of Commissioners authorizes the Chief Executive Officer or his designee to execute a contract with National Roofing in the amount of \$327,500.00 for roofing replacement at Harry Schneider Apartments (IL2-081) The contract will be awarded for a term of two hundred ten (210) calendar days from the date of the Notice to Proceed, subject to the Contractor's compliance with the CHA's MBE/WBE/DBE, Section 3 resident hiring, and insurance requirements.

(Item B2)

On December 19, 2000, the Board of Commissioners ("Board") approved the IGA with CPD for the initial period of January 1, 2000 to December 31, 2002 to have CPD provide supplemental policing services for CHA's family developments and senior buildings. The Board also authorized additional extensions of the IGA for FY2003 and FY2004. After the transition to a private property management company in June 2003 at Cabrini-William Green Homes and 1230 N. Burling and due to increased gang and drug related activity at these locations, the CHA and CPD agreed to Amendment No. 1 to the IGA to add additional police presence at the Cabrini locations above and beyond the supplemental police services contemplated in the IGA for a sum not-to-exceed \$2,350,566. The CHA and CPD agreed in Amendment No. 3 to extend the Cabrini Police Patrol Program from October 2003 through April 2004, but reduced the daily watches to the 1st and 3rd watches. At this time, drug and gang related activity remain a concern and a danger in Cabrini-William Green Homes and 1230 N .Burling. Accordingly, the resolution for Item B2 approves an extension of the Cabrini Police Patrol Program from May 1, 2004 through December 31, 2004 for an additional amount not-to-exceed \$3,400,000.

RESOLUTION NO. 2004-CHA-43

WHEREAS, The Board of Commissioners has reviewed the memorandum dated April 5, 2004, entitled, "Recommendation to Amend the Intergovernmental Agreement with the Chicago Police Department ("IGA") to Extend the Period for the Police Patrol Program at Cabrini - William Green Homes and 1230 N. Burling buildings for an Additional Eight (8) Months".

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners hereby authorizes the Chief Executive Officer or his designee execute Amendment No. 4 to the Intergovernmental Agreement with the Chicago Police Department to extend the Police Patrol Program at Cabrini - William Green Homes and 1230 Burling buildings for eight (8) months for an amount not-to-exceed \$3,400,000.00.

(Item B3)

On March 20, 2001, the CHA's Board of Commissioners ("Board") authorized the execution of an Intergovernmental Agreement between the CHA and the City of Chicago Department of the Environment to perform environmental reviews and prepare all necessary documentation for the Plan for Transformation ("Plan") as permitted by HUD under 24 CFR Part 58 and pursuant to the MTW Agreement. To date, of the \$3,000,000 in funding that the Board previously authorized for this IGA, over \$1,500,000 has been expended and another \$1,485,027 has been committed for services the CHA has requested to be rendered under the IGA. These services requested include environmental reviews and some targeted remediation activities. The CHA projects that an additional \$500,000 above the amount previously authorized by the Board of Commissioners is required this year to perform environmental reviews on the CHA's remaining development

sites. Additionally, approximately \$1,000,000 above the amount previously authorized by the Board of Commissioners is estimated for targeted environmental remediation activities to be performed this year under the amended IGA with the Department of Environment. These estimates are based on change orders for additional work to be performed at various development sites due to unforeseen conditions and costs associated with projected activities in order to obtain a “No Further Remediation” letter from the Illinois Environmental Protection Agency during 2004. Accordingly, the resolution for Item B3 approves increase in funding, not-to-exceed \$4.5 million, under the amended IGA.

RESOLUTION NO. 2004-CHA-44

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated March 24, 2004 entitled, “Authorization to Increase the Funding for the Intergovernmental Agreement with the City of Chicago Acting Through its Department of Environment”;

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners authorizes the Chief Executive Officer or his designee to increase the funding for the Intergovernmental Agreement (“IGA”) with the City of Chicago, acting through its Department of Environment from \$3,000,000 to an amount not-to-exceed \$4,500,000 for environmental reviews and the targeted environmental remediation services to be performed under the terms of the IGA, as amended.

(Item B4)

A Request for Proposals (RFP) was issued on July 21, 2003 by The Chicago Housing Authority (CHA) and The Habitat Company, LLC (Receiver) for a development team to develop the first homeownership phase of Madden Park/Ida B. Wells/Darrow Homes site. Three Respondents’ submissions were received by the Receiver in response to the RFP. An evaluation and selection process was conducted; each responsive submission was rated and ranked by the Madden/Wells Working Group. Accordingly, the resolution for Item B4 approves selection of Granite Partners For Oakwood Boulevard, LLC as the Development Team for the first homeownership phase of the Madden/Darrow site. Granite Partners will be responsible for preparing funding applications, assembling financing, obtaining necessary approvals and construction. The proposed development agreement terms and conditions must be negotiated and finalized prior to its execution by the CHA, Receiver, and Granite Partners For Oakwood Boulevard, LLC. A final negotiated development agreement will be submitted to the CHA Board of Commissioners at a future date for its approval.

Commissioner Young abstained from voting on Item B4.

RESOLUTION NO. 2004-CHA-45

WHEREAS, the Board of Commissioners has reviewed the Board letter dated March 17, 2004 requesting approval of the recommended development team -- Granite Partners For Oakwood Boulevard, LLC, and authorization to enter into negotiations for a development agreement, For-Sale Ground Lease, and execute other documents as necessary to implement the foregoing for the redevelopment of the first homeownership phase of the Madden Park/Ida B. Wells/Darrow Homes.

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING UTHORITY

THAT, the Board of Commissioners approves the recommended development team Granite Partners For Oakwood Boulevard, LLC for the first homeownership phase of the Madden Park/Ida B. Wells/Darrow Homes; 2) authorizes the Chief Executive Officer or his designee to enter into negotiations with Granite Partners For Oakwood Boulevard, LLC for a development agreement, For-Sale Ground Lease; and 3) authorizes the Chief Executive Officer or his designee to execute other documents as necessary to implement the foregoing.

(Item B5)

A competitive Request for Qualifications (“RFQ”) issued by The Chicago Housing Authority on July 21, 2003, requested the prospective developer to provide a high quality architectural, landscape and site design for the senior building within Phase 1 of the Madden Wells redevelopment project. Each of the Respondents met the minimum submission requirements outlined in the RFQ and were evaluated by CHA staff and member organizations of the Madden Wells Working Group (“Evaluation Panel”). On February 26, 2004 the Evaluation Panel

interviewed three teams to receive more information from each development team to resolve a number of questions prior to reaching a consensus recommendation. The Madden Wells Evaluation Panel interviewed and recommended supporting Northern Illinois Conference of the United Methodist Church in its HUD Section 202 program financing application. Accordingly, the resolution for Item B5 approves the issuance of a Letter of Intent to Northern Illinois Conference of the United Methodist Church for the development of a senior building at the southwest corner of 37th Street and Cottage Grove.

Commissioner Young abstained from voting on Item B5.

RESOLUTION NO. 2004-CHA-46

WHEREAS, the Board of Commissioners has reviewed the Board letter dated March 19, 2004 requesting authorization to issue a letter of intent, option or any other instrument necessary to enter into a ground lease to provide site to Northern Illinois Conference United Methodist Church for the submission of a Section 202 program financing application to HUD for the development of a senior building at the Southwest corner of 37th Street and Cottage Grove Avenue as part of Phase 1 of the Madden Wells redevelopment.

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners hereby authorizes the Chief Executive Officer or his designee to issue a letter of intent, option or any other instrument necessary to enter into a ground lease to provide site control to Northern Illinois Conference United Methodist Church for the submission of a Section 202 program financing application to HUD for the development of a senior building at the Southwest corner of 37th Street and Cottage Grove Avenue as part of Phase 1 of the Madden Wells redevelopment.

The Omnibus Motion to adopt resolutions for Items B1 through B5 was seconded by Commissioner Ponce and the voting was as follows:

Ayes: Sharon Gist Gilliam
Mamie Bone
Earnest Gates
Dr. Mildred Harris
Lori Healey
Michael Ivers
Carlos Ponce
Sandra Young (*abstained from voting on Items B4 and B5 only*)

Nays: None

There being no questions or discussion, the Chairperson thereupon declared said Motion carried and said resolutions adopted. The Operations and Facilities Committee report was also accepted in total.

In the absence of Commissioner Martin Nesbitt, Chairperson of the Finance & Audit Committee, Commissioner Ponce presented the monthly report. Per Commissioner Ponce, the Finance & Audit Committee meeting was held on Wednesday, April 14, 2004, and the Chief Financial Officer and his staff presented the Committee with the Treasury and Cash Flow Report as of March 31, 2004.

Commissioner Ponce then introduced an Omnibus Motion for adoption of the resolutions for Items C1 through C5 discussed, voted and recommended for Board approval by the Finance and Audit Committee.

(Item C1)

The resolution for Item C1 approves and adopts the 1st Quarter Revised 2004 Comprehensive Budget. The Chicago Housing Authority is required to submit for approval by the Board, a balanced annual Comprehensive Budget detailing each of the following: General Fund, City/State, HOPE VI and Other Grant Programs, and the use for these funds.

RESOLUTION NO. 2004-CHA-47

WHEREAS, the Board of Commissioners has reviewed the Board letter dated March 19, 2004, entitled "Approval of the Revised 2004 Comprehensive Budget";

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners, hereby approves the attached budget amendments, “Approval of the Revised 2004 Comprehensive Budget”, and finds with respect to said Budget:

1. that the proposed expenditures are necessary for the efficient and economical operation of the Chicago Housing Authority for the purpose of serving low-income families;
2. that the financial plan is reasonable in that it indicates funding sources adequate to cover all proposed expenditures, and does not provide for use of Federal funding in excess of that payable under the provisions of the applicable Federal regulations; and
3. that all proposed rental charges and expenditures will be consistent with provisions of law and the Annual Contributions Contract in accordance with the Moving To Work Demonstration Agreement of the Chicago Housing Authority with the U.S. Department of Housing and Urban Development.

THAT, the Chief Executive Officer and Chief Financial Officer are authorized to execute and forward to the U.S. Department of Housing and Urban Development all necessary budget documents and supporting information when applicable.

(Item C2)

The resolution for Item C2 approves the one year option extension under the same fees, terms and conditions for the current contracts with Friduss, Lukee, Schiff & Co. (Contract No. 9731), The Laubacher Company (Contract No. 9732), KPMG (Contract No. 0358), and Columbia Capital Management, LLC (Contract No. 9726) to provide financial advisory services. The extension will ensure the continuity of services on multi-year financing projects in which the financial advisors have played a key role. An extension of the current contracts will also keep these projects moving forward as planned, as well as provide the Office of Development Management and the Finance Division with the analytical support and guidance in developing and implementing alternative financing strategies for future projects.

RESOLUTION NO. 2004-CHA-48

WHEREAS, the Board of Commissioners has reviewed Board Letter dated March 23, 2004 entitled “Authorization to Extend Contract Award for Financial Advisory Services to Friduss, Lukee, Schiff & Co., The Laubacher Company, KPMG, and Columbia Capital Management, LLC”;

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT the Board of Commissioners authorizes the Chief Executive Officer or his designee to exercise the one year option under the same fees, terms and conditions as the current contracts with Friduss, Lukee, Schiff & Co., The Laubacher Company, KPMG, and Columbia Capital Management, LLC to provide financial advisory services in an amount not to exceed \$175,000 per contract for a total amount for all contracts not to exceed \$700,000.

(Item C3)

In 1997, the CHA entered into a 10-year loan agreement with First National Bank of Chicago, (now known as Bank One) to finance the purchase of 916/1000 South Wabash and 1001-03 South State. The mortgage was secured at a rate of 6.5% with monthly payments of principal and interest equal to approximately \$20,000. The resolution for Item C3 approves action to enter into an agreement with Harris Trust & Savings (“Harris”) to refinance the existing mortgage loan at a lower interest rate, which should result in debt service savings of approximately \$50,000 annually. In addition, CHA will also receive additional financing for capital improvements to the property.

RESOLUTION NO. 2004-CHA-49

WHEREAS, the Board of Commissioners has reviewed Board Letter dated March 19, 2004, entitled “Authorization to Refinance Loan for 916/1000 South Wabash”;

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT the Board of Commissioners authorizes the Chief Executive Officer or his designee to execute and deliver for and on behalf of the Chicago Housing Authority any and all loan documents necessary or desirable to consummate said loan, including without limitation, a mortgage, chattel mortgage, assignment of rents and leases, and environmental indemnity.

(Item C4)

In October 2003, the Authority advertised a Request for Proposal for Supply, Deliver and Maintenance of copies for the Print Room which on average, produces approximately 200,000 – 300,000 copies per month. In addition, eleven firms were directly solicited, including three MBE firms. Of the four responses received and evaluated, two respondents scored within the competitive range and were invited to participate in oral presentations. IKON Office Solutions presented the “best and final” offer. Accordingly, the resolution for Item C4 approves award of contract to IKON Solutions.

RESOLUTION NO. 2004-CHA-50

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated January 9, 2004, entitled “Authorization to enter into a contract with IKON Office Solutions to Lease One High Speed Canon 110 Image Runner Black and White Copier and One High Speed Canon CLC 5000 Color Copier” for CHA’s Reproduction Section.

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT the Board of Commissioners authorizes the Chief Executive Officer or his designee to enter into a contract with IKON Office Solutions to Lease of One High Speed Canon 110 Image Runner Black and White Copier and One High Speed Canon CLC 5000 Color Copier for sixty (60) months for CHA’s Reproduction Section in an amount not-to-exceed \$497,166.00, subject to Board and HUD approval, if required.

(Item C5)

In 2003, Leo Burnett, Inc. agreed to provide \$1.5 million in pro-bono services to develop advertising that enhances the image of Chicago’s public housing and the residents who live there. As part of its pro-bono agreement, Leo Burnett required the CHA to commit to purchasing advertising space to publicize the ads. Accordingly, the resolution for Item C5 approves the funding of CHA’s outreach and marketing campaign designed by Leo Burnett in the amount of \$600,000.

RESOLUTION NO. 2004 – CHA-51

WHEREAS, the Board of Commissioners has reviewed the memorandum dated March 31, 2004, titled “Authorization to award authorization to enter into contracts with Leo Burnett for funding for the CHA’s outreach and marketing campaign to improve the image of the CHA.

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners hereby authorize the Chief Executive Officer or his designee to authorize the Chief Executive Officer or his designee to enter into a contract with Leo Burnett for the funding of CHA’s outreach and marketing campaign designed by Leo Burnett in an amount not- to- exceed \$ 600,000.

The Omnibus Motion to adopt resolutions for Items C1 through C5 was seconded by Commissioner Young and the voting was as follows:

Ayes:	Sharon Gist Gilliam
	Mamie Bone
	Earnest Gates
	Dr. Mildred Harris
	Lori Healey
	Michael Ivers
	Carlos Ponce
	Sandra Young

Nays:	None
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There being no questions or discussion, the Chairperson thereupon declared said Motion carried and said resolutions adopted.

There being no further business to come before the Commissioners, upon Motion made, seconded and carried, the meeting of the Board of Commissioners was adjourned.

S/B: Sharon Gist Gilliam
Chairperson

S/B: Lee Gill, Custodian and
Keeper of Records